

I. OPENING

WELCOME AND COMMENTS FROM MTS NATIONAL ADVISORY COUNCIL

**Captain Michael Watson
President of the American Pilots
Association**

To begin, I would like to explain a little more about who the American Pilots are and what role we play in the MTS National Advisory Council.

As you heard, I came from the Association of Maryland Pilots, some of who are in the audience today. I've been a pilot there for 30 years and have worked actively with most all the members of the ICMTS in furthering safe navigation and commerce to our port in Baltimore, Maryland. The American Pilots Association consists of all the licensed state pilots in the continental United States, Alaska and Hawaii, groups similar to the Association of Maryland Pilots. As such, the state pilots in the United States handle all of the foreign flag vessels entering and leaving our country. We are the first American citizens onboard these ships, and currently act as the eyes and ears for the United States Coast Guard in working closely with them on security issues.

Of the cargoes mentioned, 95% of the commerce coming to our country comes by maritime means and we pilot 95% or greater of that commodity. Therefore, the American Pilots Association has a real role to play within the MTS National Advisory Council. You might

take note in your pamphlet, there is a good publication – “What is the MTS?” I think it gives a good overview of the data and issues. I would like to focus on certain aspects of the MTS.

Admiral Loy and the Coast Guard have been doing a tremendous job since September 11th dealing with security and protection of the citizens of America. They have other jobs to do besides security, and I must tell you they have been taxed to the limit. We who use the waterways know we expected our buoys to be tended. We expected the fisheries to be patrolled, drug interdiction, search and rescue – and unfortunately, these resources have been tasked to provide security.

I am at liberty, not being a government employee, to urge all of you to support the Coast Guard, the Corps of Engineers, NOAA, MARAD, and their budgetary process not only now, but in the future, because the responsibility for the safety of our country, it is easily doled out in Washington, but at times I can look at Congress and be thankful that they are not military advisers on the field because we have been two months now waiting for a security bill to come through and the war still goes on.

I'm here on behalf of the Marine Transportation System National Advisory Council and there are issues of concern to us other than security, though security is the front burner today. Admiral Loy mentioned awareness – the marine domain awareness. I think the MTSNAC, working with the ICMTS, can do a lot to further awareness and to promote coordination among all aspects of our industry. I would urge everyone to get a copy of the MTS Report to

Congress, which is an assessment of the U.S. marine transportation system. It lays out the prime issues facing our entire marine transportation network.

The MTS National Advisory Council consists of 30 individuals involved in all the aspects of the intermodal system. It is more than just the marine end of the intermodal movement of cargo. It is the picture from the sea buoy to the consignee. We are looking at capacity needs in the year 2020, by which time it is predicted that cargo loads will double or triple. Can our ports and our infrastructure, the connectors, handle this type of increase in cargo flow and keep America competitive? Those are the issues we are working on. The entire industry – inland waterways, trucking, labor, ports, rail -- are all represented and charged with coming up with recommendations to Secretary Mineta to accomplish something similar to TEA-21 and AIR-21 -- what the MTSNAC is calling SEA-21. This would facilitate funding beyond borders of marine, rail and truck, and coordinate the development of a very competitive and efficient network.

In the course of that development, technology plays an ever-greater role each day. We have cargo inspection for security and accountability, the movement of containers, the movement of bulk cargoes, liquid cargoes, the interaction with rail and truck -- the obvious solution is enhanced technological developments to speed the flow of these cargoes.

I believe there will be a lot of good things coming from the MTSNAC in the coming months. We worked several days last week to get the industry's

opinion and approach to the security issue. This will be submitted to Secretary Mineta for his consideration. We are ever mindful of the financial end -- we have to keep our national economy moving. Commerce has to keep moving and hopefully with the input of the private sector to the ICMTS, we can come up with a system that will provide security as well as the free flow of commerce.

Concerning the pilots, I think we are concerned primarily with navigational technologies such as NOAA's PORTS system. I was pleased to learn yesterday that this was the first resolution that the MTSNAC came out with prior to September 11 -- to urge the Secretary to fund NOAA's PORTS system -- real-time system -- to increase capacity, cargo flow and safety in our ports. In the past, this effort has been neglected in the budget. Yesterday, I understand there was \$4.0 million earmarked for that effort to continue and expand throughout the country, which makes the pilots very happy.

We are looking at the PORTS system, bridge air-gap sensors, electronic charts, radars, AIS and other shipboard electronics. In addition to navigation technology, this program covers the application of technological solutions to security, commercial information, environmental protection and other issues in our marine transportation system. There are formidable challenges facing our MTS and clearly MTS professionals will continue to rely on technology as an important tool to fashion to build our visions of the U.S. marine transportation system.

Again, I appreciate being invited to this conference. I think it will be three days of great exchange of information and knowledge. And, I appreciate Admiral Loy and General Griffin for coming and hosting this. It is a real pleasure for me to work with them and I thank you for having me.